

March 10, 2011

**Ex Parte**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

*Re: Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42; Federal State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link Up, WC Docket No. 03-109*

Dear Ms. Dortch:

On March 9, 2011, Robert Quinn and Mary Henze of AT&T, Chris Miller and Alan Buzacott of Verizon, Javier Rosado of TracFone and Mitchell F. Brecher (Greenberg Traurig on behalf of TracFone), John Beahn (Skadden Arps on behalf of Virgin Mobile), Charles McKee of Sprint Nextel, Scott Bergmann of CTIA – The Wireless Association, and I, on behalf of General Communication Inc. (collectively “Industry Attendees”), attended a meeting with the following FCC participants: Zachary Katz, Michelle Ellison, Sharon Gillett, Austin Schlick, Terry Cavanaugh, Trent Harkrader, Kim Scardino, Dana Shaffer, Suzanne Tetreault.<sup>1</sup>

The various Industry Attendees made the following points during the discussion:<sup>2</sup>

- We understand and appreciate the FCC’s desire to limit duplicate Lifeline subscriptions.
- The issue of a single individual consumer receiving multiple Lifeline subscriptions is different from multiple individuals at the same postal address or living in some kind of household unit receiving multiple Lifeline subscriptions. The latter situation raises distinct and significant public policy issues, including public safety issues, at a time when substantial numbers of consumers have “cut the cord.”
- If the FCC were to adopt some version of a “one per household (or postal address)” limitation while exempting “corner cases,” it would have to be clear about where it drew the line with respect to otherwise qualified individuals who could not receive Lifeline service. For example, would the living unit subject to the one per household limitation extend to unrelated individuals sharing a residence, to multiple families in a residence, to intergenerational living arrangements, to residential schools, to halfway houses, to homeless shelters, or to other institutions? What would happen in the case of shared

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<sup>1</sup> Edward Lazarus briefly attended this meeting but left prior to any presentations being made by any of the Industry Attendees.

<sup>2</sup> This list is meant to summarize the points that were made by the various Industry Attendees collectively, and does not reflect that each Industry Attendee made or agreed with each point listed.

postal boxes or other shared mail delivery addresses? What happens if a consumer maintains a mailing address of convenience at a location (for example, of a relative or friend) but resides elsewhere (for example, is homeless, is a migrant or nomadic, is out of the area for seasonal work).

- A Lifeline eligibility database is the likely longer term solution to preventing duplicates from occurring and recurring.
- For any interim mechanism prior to establishing a database, a third party is necessary to administer the process of identifying and resolving duplicates involving multiple ETCs. ETCs do not know the identities of other ETCs' Lifeline customers and cannot know whether an individual Lifeline consumer receives Lifeline service from another ETC. Individual ETCs, acting alone, cannot prevent duplicates from occurring or recurring.
- It is not clear that a third party could be engaged rapidly – or sooner than a national database could be established -- to identify and resolve duplicates, notwithstanding the best efforts of all ETCs in a particular area.
- There needs to be a recognition that, with any duplicates resolution process, there will not be a 100 percent response rate from customers identified as being “duplicate” Lifeline consumers. This means that unless the Commission is prepared to direct that certain Lifeline consumers should lose all Lifeline service, there will need to be a process and clear rule to determine which ETC should continue as the customer's Lifeline provider, and which Lifeline subsidy to terminate.
- Any duplicates resolution process must recognize that ETCs enrolled consumers after being presented with proof of eligibility (as required by applicable state or federal rules), and that the ETCs are required to do so for any qualifying low income consumers under the FCC's Lifeline rules. *See* 47 C.F.R. § 54.405(a). Accordingly, it is not appropriate to penalize ETCs by denying reimbursements for discounts provided simply because the *consumer* signed up for multiple Lifeline services concurrently from different ETCs. Self-certification has been a cornerstone of the FCC's rules since the post-1996 Lifeline program was implemented.
- If the FCC adopts an interim rule addressing duplicates, it must also adopt changes to other rules to make clear that ETCs can deny Lifeline service in response to a request for service from a customer that is eligible but for the duplicate.
- While industry participants in specific market areas could pursue the viability of establishing a third party to identify and resolve duplicates, such an effort would require the cooperation of all ETCs in a market area.
- Industry Attendees are willing to continue to work with the FCC to address its concerns.

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The Industry Attendees have authorized me to file this ex parte letter on their behalf, in fulfillment of the obligations of all Industry Attendees pursuant to 47 C.F.R. § 1.1206.

Sincerely,

A handwritten signature in black ink, appearing to read 'John T. Nakahata', written in a cursive style.

John T. Nakahata

*Counsel to General Communication, Inc.*

cc: Zachary Katz  
Michelle Ellison  
Sharon Gillett  
Austin Schlick  
Terry Cavanaugh  
Trent Harkrader  
Kim Scardino  
Dana Shaffer  
Suzanne Tetreault